

REGULAR MEETING – MARION COMMON COUNCIL – MAY 8, 2019 – 7:00 P.M., CITY HALL

The Common Council of the City of Marion, Indiana met in regular session on Wednesday, the 8th day of May, 2019 at the hour of 7:00 p.m. in the Council Chambers, City Hall.

On the call of the roll the following members were shown to be absent or present as follows:

Present: Henderson, Smith, Batchelor, Cain, Homer, Johnson, Luzadder and Miller.

Absent: Brunner.

The minutes of the previous regular meeting of April 16, 2019 were presented. On a motion by Councilwoman Deb Cain, 2nd by Councilwoman Lynn Johnson, the minutes were approved as presented by a unanimous vote.

COMMITTEE REPORTS: Councilman Steve Henderson said he just wanted to remind everybody, in two weeks, they will finish up those tax abatements that they have to get in. That will be at 5:00 pm upstairs. Council President Alan Miller said that committee, for people that don't know, is the Compliance Committee.

UNFINISHED BUSINESS

GENERAL ORDINANCE NO. 5-2019 3RD READING AND PUBLIC HEARING

The City Clerk read General Ordinance No. 5-2019 by title only. An Ordinance authorizing the City of Marion, Indiana to issue its "Taxable Economic Development Revenue Bonds of 2019" and approving and authorizing other actions in respect thereto. Buddy Downs from Ice Miller told the Council he thinks that they've talked about this ordinance. He's happy to answer any questions. He tried to explain last time the changes they had made so that only bond proceeds could be spent within the city. He's happy to answer any questions about the ordinance or certainly after the public hearing. Council President Alan Miller asked the Council, any questions for Mr. Downs before they begin the public hearing? Seeing none, they will proceed. Miller said, let him explain just a few rules for conducting public hearings. First of all, if they wish to speak, they would ask that they come to the podium to the microphone and give them their name and address. They're going to limit each individual speaker to four minutes and Mr. Stephenson sort of is their official or unofficial timekeeper and he'll hold up his hand with 30 seconds to go to kind of indicate that their time is nearly up. Unless something changes his mind as they move along, he would like to confine the total public hearing to no more than an hour, it may not take that much. If he sees there's more to be shared, they will do that. With that introduction, they are ready for their public hearing. It's first come first serve so whoever would like to be first, come to the microphone and tell them who they are and where they live. Jim Sutter told the Council he's attended a lot of these. This is the most important City Council meeting he has ever attended. Alan gave him four minutes and it's like pouring a gallon of Kentucky bourbon into a shot glass but he'll try to do the best he can. To make this thing short and sweet, also he might add that battleship row is on both sides of him. They've had six months to loosen them (Council) up and he's got four minutes to try to make sense of all of this. But, we've gone three and a half years, they've done a great job. The Council going out is a great Council. In other words, around here, TIF (inaudible) short word for torpedo. They've done a great job and they've held this thing down. We got a \$1,750,000 note written off at the Water Works, got \$300,000 coming from Converse and we haven't hit the other guys in Indianapolis yet. They held this debt down. All of them working together, they pulled another \$2,500,000, \$3,000,000 out of this thing and he thought, my God, we're going the right direction. And then during campaign season, here comes CIE, and he loves CIE. That is a magnificent crown jewel of economic prosperity for the City of Marion. But remember this. We have 800 kids in this county living in poverty. He doesn't want that to go by, he doesn't want to velocitize that figure. 800 kids living in poverty. Grant County was the second county in the State of Indiana for poverty. We've got a police force driving obsolete automobiles. We're freezing fringes. We haven't had a pay increase in the county in four years. He doesn't think CIE would ever be able to say that. We have problems that CIE won't ever have with opioids, heroin, murder. They're blowing away eight and 10 year old kids and when he thinks about us giving \$3,650,000 to anybody, including Santa Claus, it makes him sick. They've got to think about this. Break the mold. In 20 years, they've never turned one of these down, never. Tonight, break that mold, say no and say yes to the kids and the people of Grant County. He thanks him so much, he told Miller. Thanks for the job he's done for Marion. He appreciates it. Keep it up, Sutter said. Miller told Sutter, thanks for what he's done for Marion as well.

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They appreciate him. David Cain – 4622 S. Carey Street, Marion – told the Council he comes tonight with a wide range of different job backgrounds. He served eight years serving the public on the Marion City Council back in the '90s and brings 41 years of experience in the petroleum business. In those 41 years, he purchased millions, millions of gallons of ethanol from many different sources, including out of state ethanol producers. What Central Indiana Ethanol brings to the area is a tremendous expertise in supplying products virtually all over the world. He has never worked with an ethanol company and there have been many over the years that has managed as well as CIE. This is a local business, developed and built by local people and their investors. They serve a purpose in that they offer their products for sale locally but also purchase huge amounts of local area grain from Grant County and surrounding county farms which enhances those economies along with other products and services. As business looks to expand, they look at all options available to them to utilize for that expansion. We, the city and county, are in competition with other cities and counties to create new business (inaudible) when we can for existing businesses to succeed and hopefully grow. Indiana has created different tax incentives and other various tools that all of us can utilize to make this happen. Tax abatement is a wonderful tool that, if done right, will pay off in huge dividends for cities and counties. TIF or Tax Increment Financing is another great tool that can be used and that's what we're talking about here tonight. Set up correctly, this is another wonderful financial tool that should be embraced when handled correctly. Do not, do not use past failures from past Administrations to condemn the use of this tool. This is a good use of a TIF District that doesn't cost the taxpayers any dollars. CIE has a great proven track record and this will be a great win for both the City of Marion and them. Do we need Agricolor? Do we need Dollar General? Dunham's? Wal-Mart Distribution? General Motors? Even the new YMCA, just to name a few in our county. Tax tools were used in all these to restore, capture, retain and expand. He urges them to do the same with CIE tonight, again, with zero cost to the taxpayers. Thank you for your time, Mr. Cain said. Debra Keefe told the Council she lives in Crane Subdivision at 2621 W. Chapel Pike. She transferred here from Ohio for her job at General Motors and she purchased a house because she knew she was going to be here another 10 years and she now has to get another additional four years. She's read a lot and she's got her articles and she clipped her articles from the Chronicle-Tribune because she's not familiar with any of this. This is the first time she's ever had to attend a City Council meeting. It's the first time she's ever had to talk to the city or the county on anything. So when she hears about this TIF and she sees the concerns of the citizens and she noticed we don't have a good turnout and she noticed the Chronicle-Tribune asked everybody to come so she decided to come because she thought a lot of people would be here. She wanted to thank everybody that ran for Mayor. She's sorry not every one of them could get voted in but she thinks every one of them has something to donate for the city. The people she voted for didn't get in there but thank you again for putting in your time and making an effort to help our city. But, with this TIF, she doesn't understand very much. She's tried to read the articles, she's asked people. She'd like to have it termed to her in layman's terms so she understands. She's never been in politics. She doesn't know much about this but she does see how the City of Marion is, she does read about the kids, the schooling. She hears we're trying to improve Marion and she comes through downtown and she doesn't see much. She doesn't see much developing. She doesn't see any reason why she wants to come downtown. She doesn't see any new restaurants, she doesn't see any new businesses that she can purchase anything. She goes to Ft. Wayne, she goes to Muncie, she goes to Kokomo because they've got more places to eat, they've got more places to shop. She knows they're saying they're improving Marion, she sees some changes but she doesn't really see a lot where our money is going into it. Same with the gentleman that spoke ahead of Mr. Cain, General Motors. She works for General Motors. She's very thankful and blessed that she has that job. She's been there 20 years. She didn't get hired until she was 41 years old. She doesn't like what General Motors is doing. She doesn't like what General Motors is doing to the salaried people, to the hourly people but she's thankful that she has an opportunity to transfer somewhere like she did here but she doesn't like them like they're doing in all the cities (inaudible) asking for all these tax increments and, you know, help me give money when you've got billions and billions of dollars and you're trying to take from the small people here. So it's the same here. She doesn't know much about the CIE but she still can't understand why, why we're giving money to big companies and all when we need it here in our city and we do need it for the schools, we need it for the children, we need it for all these drugs. We need it for all the people down at the bottom, like us. We're the city. Where are the people in the city because we don't want to speak, she didn't want to come up and speak. She's not very good at talking and all but you know what? Stand up people, start standing up together. All she asks is the people in the city

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and everybody that represents them to do the right thing. You know, we said the Pledge of Allegiance. She knows her Mayor is a good Christian, she voted for him, but she doesn't see us doing what God wants us to do. She doesn't see us doing the right thing for the people, the City of Marion. We pay our taxes, we do what we're supposed to do, we follow the laws and all but what are you doing for us here in the city. So when she hears this tax, she doesn't know much about it. She would like it explained to her a little bit more about this TIF. She's just now picking up on it. She knows she's clipped all her articles and she's kept them, she reads them and she read Jim Sutter's letter and she read some of the other letters and she feels Jim Sutter, is he telling the truth, yeah, she believes. She can only go by what's written but is there facts behind it? She believes there may be facts. So, if someone can explain it to the people down on the bottom that don't know much about the politics and stuff, she'd really appreciate it, Keefe said. Council President Miller asked, are there others? He said one thing he should have mentioned when he said they could speak for four minutes, they may speak only once so if they have in their mind, gee I forgot to say something, I'd like to do it again, one opportunity per person. Mike Barney – 2003 W. Therlow Drive, Marion – told the Council he'd like to yield his time to Mr. Sutter. Mr. Miller said, no, we're not going to allow that, sir. Barney said, well four years ago, didn't John Lawson.....? Miller replied, he has no idea what was done four years ago. Mr. Sutter asked if he could address the YMCA thing. Miller told him, no, he may not. That is not on their agenda tonight, Mr. Sutter. He told Mr. Barney, no, he cannot yield his time. He is the President of the Council tonight. He doesn't know what happened previously but no. Barney stated, well thank you. It didn't hurt to try. Scott Miller told the Council he is the President of Bowman Construction here in Marion. So, he knows this is a pretty contentious issue and he wanted to explain a few things from his perspective. He had a chance to meet with Jim Sutter last week and really appreciated their time together to be able to kind of understand both sides of the equation. His background, he used to do economic development in the City of Indianapolis and they used TIF on multiple occasions to help businesses in Indianapolis from 2008 to 2016 so he wanted to speak a little bit about his knowledge of what's happening. But, CIE has been a model for how public-private partnerships should look and operate. They were founded in 2006 by the Berry family with nothing more than an idea and a bean field on State Road 18. They built what they said they would build, they hired more people than they said they would hire and they paid back exactly what they said they would pay back when it comes to their original TIF Bond. CIE is not a company asking for a handout from our local government but they're a company investing significant capital of their own and requesting the continuation of a long-standing public-private partnership. They are committed to the continued expansion of their business in Grant County for the betterment of our community and they've demonstrated that with their continued investments over the years. In an industry with significant government regulation, volatile markets and tight margins, CIE has been and continues to be at the forefront of innovation to ensure not only the sustainability of their company but the sustainability and success of their predominately Grant County based employees who all pay local income taxes. He would urge them as Council members to look at the history of what CIE has done and what they are promising to do in the future. They've agreed to maintain a minimum assessed value during the life of the TIF Bond and will execute a taxpayer agreement which insulates the taxpayers of this community from any payment risk with the new TIF Bond's issuance. As a new business member of this community trying to build a business, he wants what is best for our community and he would ask for their support of this agreement with CIE, Miller said. Steve Smithley told the Council he lives at 626 E. Stephenson Street and he is President of the Marion Redevelopment Commission. They're talking about a TIF which will be, depends on who is counting, probably their 15th TIF. He needs them to know that this Redevelopment Commission issued none of the prior TIF's and all the issues that they have with those. They inherited those. This is the first TIF being presented to the city that on the front end has almost \$500,000 of excess money to be distributed. In all the conversations and everything, the things that have come up that he's starting to take personal is that it's been said that when this went to the County Council that the Redevelopment Commission weren't trusted because they weren't elected officials. Two of the people on the Redevelopment Commission are in fact elected officials. It's been said that they are well-intentioned, non-professional and he can tell them that two of the people on the Redevelopment Commission are retired commercial bankers who have underwritten and financed TIF's. So he thinks their expertise is there. They have responsibilities. They have a commitment to this community, just like elected officials. No one, except the reporter from the Chronicle when they first passed this at the Redevelopment Commission, has asked him or as far as he knows anybody else on the Redevelopment Commission, what they plan to do with the excess funds.

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Everybody assumes, it's been mentioned that they are going to go to the Mayor's next (inaudible) or they're going to do it for some fairy tale kind of thing. They're responsible citizens. They have just as much love and interest in this community as everybody sitting on this Council. They can, as a Redevelopment Commission, they can take these excess funds and put them into the Police and Fire Department. They can actually distribute it, as the normal taxes would be, to the county and city and library and wherever it's divided initially. So, they're annexing, as part of this deal, they are voluntarily annexing 22 acres and all their improvements. Have there been problems in the past? Yes but he has already, since Jim McWhirt took office as the Auditor, he's had more conversations and meetings with him than he ever had with the previous Auditor. Part of the problems were how they were set up for tax purposes. They're trying to straighten that out. They've (Redevelopment Commission) approved this and they've presented it to them. It's been reworked but there's still, at the end of the day, if they vote no, we're going to kiss goodbye \$500,000 of excess money. The new improvements are in the county now. They voluntarily agreed to annex it as of January 1st of 2020. They can renege on that. They could say they changed their mind and they're not going to see any money for any purposes. He felt sorry for them, as a Redevelopment Commission, for people to assume they're going to do something irresponsible and not in the best interest of the community. He urges that they approve this, Smithley stated. Bill Gartland told the Council he resides at 1020 W. Euclid Avenue. He's President of Atlas Foundry here in Marion, Indiana. He's past President of the Grant County Economic Growth Council. He's here to show his support for the project. It's not 100% TIF. It's unlike a number of TIF's that have been done in the past. He believes CIE hired a firm to structure this for the best interest to the city. He believes the development will be good for the city. He would urge them to pass this TIF, Gartland said. Being no one further from the audience to speak, Councilman Steve Henderson said he'd just like to make a comment for the record. As a member of the Redevelopment Commission and also of the City Council, it's very hard to make a decision on things when you don't have financial papers in front of you. Not a bank in this country would loan this money without being seen a financial statement. They have not seen that. The other thing that they have not seen, which he's been told that is law that they should have an impact statement. He has not ever seen an impact statement. Now, there was no impact statement given to the Redevelopment Commission or this Council. Now, as far as he knows, that violates state ordinance so go ahead and pass this and it'll be just what they used to have before. It was run through here without the proper documents. That's been his say all along. So if they can't do things properly, he won't have any part of it. So, he also wanted to make a note that he asked for those documents in the Redevelopment Commission meetings with previous Ice Miller people. He was promised those documents to be here at the City Council meeting and he also wanted to remind that the minutes of the Redevelopment Commission are abbreviated and, in those abbreviated minutes, his question in asking for those documents was not in the minutes. That was not recorded in the minutes. So that is why he voted no not to accept those documents in the Redevelopment Commission meeting. So, for future people, when they go back and look at this TIF, they will have this in the minutes of the City Council so they won't have to spend hours and hours and hours trying to find out what happened here. So, he just wanted to make note in the documents, Henderson said. Council President Miller asked if other Council members had comments since he allowed Mr. Henderson to speak. Councilwoman Deb Cain said, first of all, she wanted to take them back a little bit to when Buddy (Downs) first came to Marion and he sat with all the City Council people and talked about the TIF and helped them understand how the TIF worked and he met with two Council members at a time and Mrs. Johnson and she were in there and he made a statement that if he ever brought a TIF back to Marion, it will be the right TIF and he held to that. He held his word to that and she appreciates that. She wants to thank him for doing that. Also, she's on the Redevelopment Commission and she doesn't want to sound like she's publicly disputing a statement but, Mr. Henderson, she does not remember him asking for those statements, those papers, that document. They did talk about finances and he (Downs) gave them the figures and he went over everything in detail and she appreciates the time that he spent in the Redevelopment Commission too. Councilwoman Lynn Johnson said she also wanted to thank Mr. Downs for being so clear on how he wrote this Trust Indenture and how he wrote this bond. When she sat down with CIE about two months ago, she asked them and explained to them that those are her concerns, that this should be a working TIF and that this TIF and this bond should be adhering to a schedule, that it should follow a schedule and it should follow payments every year and actually stay true to the terms and the lengths of the bond. Also she found out that she wanted to make sure that the assessed valuations of this property, as it grows, does not reduce so that the tax collection from the assessed valuation does not diminish just to

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cover the payments on the bond. So, she's seen their paperwork. She likes what they're doing. She thinks this is a very good, working bond and it's probably one of a kind, what they're doing here, and if there's a possibility that they can continue to work towards producing solid TIF Bonds so that they return money into the city so that it satisfies the needs of their schools and actually put some money back into the city then she thinks it's an encouraging thing for the City of Marion and she wants to thank him, Johnson said. There were no comments from Councilmen Batchelor, Smith or Homer. Councilman Brad Luzadder said he is prepared to make a motion. Miller told Luzadder, let him give Mr. Downs, maybe Mr. Downs (inaudible). He asked Downs if he had anything he wished to say in conclusion. Downs said he probably should say that an impact statement does have to be done by the Redevelopment Commission and Umbaugh did prepare one and they couldn't give the bond approval if it had not been prepared and Andy can speak to that. Everything they work on, they're going to follow every step in the legal process, Downs said. Mr. Luzadder said it is his honor to make a motion to pass General Ordinance No. 5-2019. Motion was seconded by Cain and carried by the following vote. Aye: Smith, Batchelor, Cain, Homer, Johnson, Luzadder and Miller. Nay: Henderson.

Being no further business to come before the Council, on a motion by Luzadder, 2nd by Smith, the meeting adjourned. Time being 7:32 p.m.